

**RHODE ISLAND PUBLIC TRANSIT AUTHORITY
BOARD OF DIRECTORS
MINUTES OF Tuesday, October 23, 2012 MEETING**

Board Members Present: Mayor Scott Avedisian, Chairperson; Jerome Williams; Stephen Durkee; Maureen Martin, Anna Liebenow; and Margaret Holland McDuff.

Absent: Michael Lewis

Also Present: Raymond Studley, Interim Chief Executive Officer; Clare Sedlock, RIPTA Resource Team; Todd Gleason, Outside Counsel; Ellen Mandly; and other members of RIPTA's staff and the Resource Team and members of the public whose names are on the sign-in sheet.

Agenda Item 1: Vote on September 24, 2012 Meeting Minutes

Mayor Avedisian called the meeting to order at 2:00 p.m. and asked if the Board members had an opportunity to review the minutes of the meeting held on September 24, 2012. The members indicated that they had and Ms. Martin made a motion to approve the minutes of the meeting held September 24, 2012 as presented. Mr. Williams seconded the motion. The motion to approve the minutes of the meeting as presented was unanimously approved.

Agenda Item 2: Public Comment

Mayor Avedisian recognized Paul Harrington President of the Amalgamated Transit Union.

Mr. Harrington began by thanking Raymond Studley and the other members of the resource team for their professionalism. Next he said he was disheartened and disappointed after reading the recent Providence Journal editorial which he said wrongly attributed certain problems at RIPTA to the unions. Mr. Harrington finished by also thanking RIPTA employees for their professionalism and dedication.

RIPTA bus operator Joe Cole spoke next and said that there has been lots of negativity at RIPTA in the past year and a half and he is glad that is ending. He then wished Mayor Avedisian luck in the upcoming Warwick Mayoral election.

Agenda Item 3: Chief Executive Officer's Report

CEO Studley asked RIPTA Director of Finance Bill Rush to begin the Chief Executive Officer's report by giving a brief update on ARRA. Mr. Rush said there was not much movement this month and the only project underway is the transportation building solar roof project approved by the Board at the August meeting. He said that project is just awaiting a critical expense form to move forward. He said they are also working with the Planning Department to get a timeline on

the rapid bus corridor project. There were no questions for Mr. Rush.

Paul LaFlamme addressed the Board next to give an ATMS project status update and said the status he gave for inclusion in the Board package was a few weeks old. He reported that the mini fleet has been installed including 5 revenue vehicles and 2 non-revenue vehicles. He said there were some quality issues that he is having checked and corrected. He said dispatch and drivers are receiving some informal training and Mr. Williams asked what constituted informal training. Mr. LaFlamme replied that during the first phase/mini fleet they are only utilizing the voice communication function and this requires only brief and simple training. Formal training on all aspects will likely begin in the second week in December and will be more comprehensive.

Mr. LaFlamme said we are now on our fourth iteration of schedule data and are making good progress. He said data needed to be scheduled clean so they can begin making automatic announcements on the routes. The radio control station is up and running in Newport and the wireless LAN has been installed at Elmwood and installation has begun in Newport. In the next four weeks wireless should be completed, formal mini fleet quality issues will be corrected and tested, the remaining fleet installs will begin on October 26th and there will be four weeks of testing buses on the road to test the reliability of the system. He said he is targeting November for testing

the audio visual announcements (AVA) on the buses.

Next Mr. LaFlamme discussed some issues due to delays in the construction of the new dispatch office which was originally scheduled for completion in the summer, but now has no completion date. He has been stockpiling the equipment that will go in the dispatch office until there is some resolution. The Kennedy Plaza customer information signs issue is resolved but there are still issues in getting approvals from Amtrak and Newport Planners/Gateway for Pawtucket, Newport and the Providence Train Station.

Finally he reported having a very productive meeting with RIEMA regarding tower sites. Mr. Williams asked about a timetable for resolution and Mr. LaFlamme said the project is ongoing and he expects to have the install of the data communication by the end of the year.

Anna Liebenow commented that she was on a bus with the new stop request setup and it's very exciting, although the volume levels need to be corrected and consistent.

Amy Pettine addressed the Board next to give an overview of the 2-page Comprehensive Operational Analysis report in the Board package. She said the project is moving along and on schedule and that the bulk of the work since the September Board meeting has been reviewing the route evaluations on fixed route and flex and

getting feedback. An online forum has been put on the RIPTA website so comments can be reviewed and a lot of good information has been received. Over 250 people have commented. She said 9800 passenger surveys were filled out on the street and she noted a typo in the weekday ridership number which should have showed the number as 65,000 (not 20,000). Ms. Pettine said about 40% of RIPTA riders have been surveyed and a report is being produced for each route so we can survey demographics and volume on each route along with other information. This information will be combined with the on-line user comments and route evaluations while they are also working on updating the service guidelines. Once completed the guidelines will be the metric by which we make some decisions about which options to implement. Ms. Pettine said in December or January RIPTA they will go out for public comments with some scenarios.

Ms. Pettine answered questions regarding fares, non-rider survey responses and engaging a wider audience for comments. Mr. Durkee asked if there were any surprises and Ms. Pettine replied that staff is still digesting the results.

Agenda Item 4: Finance Committee Report/FY 12 Auditor's Report

Mayor Avedisian asked Jerry Williams to lead the discussion on the Finance Committee report and the FY 2012 Auditor's Report. Mr. Williams said the Finance Committee met on October 10th with Maureen Neira and Wayne Hannon and went over the FY 14 Budget

and the assumptions relative to revenues and expenses. He said they discussed the assumptions such as no fare increase, same level of service for Providence schools, gasoline tax subsidy only slightly higher, federal funds assumption that we will not receive the one-time \$1 million dollar fuel reimbursement we received in FY 13. On the expense side wages are consistent with FY 13, health benefit increase of 10%, OPEB pension obligation will be made, and diesel fuel will remain at \$3.50 per gallon, although we locked in for the current year at \$3.15 per gallon. Mr. Williams suggested that we keep an eye on fuel in the next few weeks and attempt to lock in a fuel price for this year. ,

Mr. Williams said they held a discussion that came out of comments at the last Board meeting about the self insurance reserve. We had not been funding the reserve and will begin doing so at \$250,000 annually which will take 20 years to reach our goal of \$5 million dollars, but at least it is a start. He said debt service is slightly higher than FY 13 and in light

Mr. Williams said that in light of the RIPTA deficit there were a lot of questions asked by the Committee about out of state employee travel, parts and equipment, computer expense and overtime. He said that the resource team and Ms. Neira will be providing suggestions on areas where reductions can be made.

He finished by saying that unfortunately the projected deficit for FY

2014 is \$17.2 million, and noted that this is prior to the resource team providing their cost saving recommendations. He noted that the \$17.2 million includes the OPEB which is a significant amount. The Finance Committee expressed very real concern over an \$8 million dollar deficit this year and a \$17.2 million dollar deficit next year and there is nothing realistic on the horizon to provide help. He said the Board has already discussed service reductions and/or fare increases and Mr. Williams said he can support neither. The bottom line is there is no sustainable funding for RIPTA and this needs to change.

Regarding the cash flow issue, based on recent meetings we anticipate being out of cash sometime around March and this is a serious issue because RIPTA is unable to get a line of credit. Mr. Williams stressed that we are in a unique situation – we have had deficits in the past but never have we faced the very real possibility that we will run out of cash. He said that all we have left is the recommendations to come from the resource team to minimize the deficit and/or find additional revenue streams to fund RIPTA.

Agenda Item 5: FY 2014 Budget

Maureen Neira addressed the Board and said Mr. Williams had discussed most of the pertinent issues relative to the FY 2014 Budget in his Finance Committee report. She did note that the budget must be submitted to the State Budget Office by October 31st. She said budget amendments can be sent in later and the budget can also be

revised if need be, but we need to at least submit our budget if only as a place holder.

Ms. Neira reiterated that prior to any resource team recommendations; the budget deficit stands at \$17.2 million dollars that needs to be approved. Mayor Avedisian responded that the issue would be discussed further in executive session, but he does not anticipate that they will support or approve a budget for FY 2014 today. A brief discussion of submission dates was held.

Agenda Item 6: Resolution to Provide Interim CEO Signatory Authority

Bill Rush addressed the Board next to discuss a routine document that needs approval. The document had previously been executed by Mr. Odimgbe, but with the resource team in place we need the ability to have documents more forward and the Interim CEO to be able to complete and execute documents and assurances for FTA applications.

Mayor Avedisian explained that this document simply gives Mr. Studley signature authority at this point. He then asked for a motion to allow him on behalf of the Board to sign a resolution to the Federal Transit Administration approving interim CEO Raymond Studley's signatory authority. Ms Martin made a motion that the resolution be approved as presented. Ms. Holland McDuff seconded the motion

and the motion passed unanimously.

Agenda Item 7: 2013 Board Meeting Schedule

Mayor Avedisian moved on to the next agenda item, the proposed Board meetings for the 2013 calendar year. Ms. Mandly said the meetings are scheduled to take place on the third Monday of the month per usual, except in January when the meeting was moved to the 4th Monday due to the Martin Luther King Day holiday and to the 4th Monday in September to allow time for completion of the Auditor's report.

Mr. Williams moved that the 2013 Board meeting schedule be approved as presented. Ms. Martin seconded the motion and the meeting 2013 schedule was unanimously approved as presented.

Agenda Item 8: Executive Session to consider, discuss and act upon such matters as may be closed to the public pursuant to R. I. Gen. Laws 42-46-5(a)(1) [job performance of an employee], R. I. Gen. Laws 42-46-5(a)(2) [potential litigation related to security breaches] R. I. Gen. Laws 42-46-5(a)(3) [security status updated], and R. I. Gen. Laws 42-46-5(a)(4) [preliminary investigative report by appointed overseer of agency's operations and controls], as may be appropriate

Mayor Avedisian asked for a motion to convene to executive session to consider, discuss and act upon such matters as may be closed to

the public pursuant to R. I. Gen. Laws 42-46-5(a)(1) [job performance of an employee], R. I. Gen. Laws 42-46-5(a)(2) [potential litigation related to security breaches] R. I. Gen. Laws 42-46-5(a)(3) [security status updated], and R. I. Gen. Laws 42-46-5(a)(4) [preliminary investigative report by appointed overseer of agency's operations and controls], as may be appropriate. Mr. Williams read the law to go to executive session and made the motion. Mr. Durkee seconded the motion and a roll call vote was taken. The motion to adjourn to executive session passed unanimously.

Following the Board's return to open session Mr. Williams made a motion to seal the minutes of the executive session. Ms. Holland McDuff seconded the motion, and it passed unanimously.

Agenda Item 9: Adjournment

Mayor Scott Avedisian asked for a motion to adjourn the meeting. Mr. Williams made the motion which was seconded by Ms. Holland McDuff. The motion was unanimously approved and the meeting was adjourned.

Respectfully submitted,

Ellen M. Mandly

Recording Secretary